Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 SAM-01 COME-00 TRSE-00 OMB-01 INT-08

FEA-02 DRC-01 /127 W

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R 012258Z FEB 74 FM AMEMBASSY OTTAWA TO SECSTATE WASHDC 2651

UNCLAS OTTAWA 0332

POUCHED INFO ALL CONSULATES IN CANADA

E.O. 11652: N/A TAGS:ENRG CA US

SUBJECT: ENERGY: US-CANADIAN JAN 31 CONSULTATIONS

FEB 1 CANADIAN PRESS STORIES ALL TREAT MACDONALD-SIMON ENERGY CONSULTATIONS IN WASHINGTON JAN 31 ALONG FOLLOWING LINES:

- 1. JOINT AGREEMENT TO SET UP LIAISON GROUP RESPONSIBLE FOR RESOLVING SHORT-TERM PROBLEMS AND REGULAR PERIODIC HIGH-LEVEL CONSULTATIONS, WITH ANOTHER MEETING TO BE HELD IN OTTAWA IN ABOUT ONE MONTH.
- 2. CONTINED DISAGREEMENT ON CANADIAN EXPORT TAX, DESCRIBED BY ENERGY MINISTER MACDONALD AS "WELL-MODULATED DIFFERENCE OF OPINION".
- 3. ON MACKENZIE VALLEY GAS PIPELINE, MACDONALD SAID MEETING HAD NEITHER IMPROVED NOR DAMAGED ITS PROSPECTS, WITH U.S. SIDE "ELABORATELY CAREFUL" NOT TO STATE ITS PREFERENCE BETWEEN MACKENZIE AND EL PASO PROJECTS FOR FEAR OF PREJUDICING ISSUE WHEN ITS IS CONSIDERED BY USG AND UNCLASSIFIED

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REGULATORY AUTHORITIES.

- 4. MACDONALD SAID THAT U.S. WAS FIRMLY REBUFFED ON RENEWED PROPOSAL FOR SOME FORM OF COMPREHSIVE CONTINENTAL ENERGY PACT. "WE ATTEMPTED TO COOL THEIR ARDOR ON THAT", HE SAID.
- 5. MACDONALD WAS REPORTED TO HAVE BEENSIMILARLY COOL ABOUT ANY MAJOR U.S. INVOLVEMENT IN ATHABASCA OIL SANDS DEVELOPMENT AND ABOUT ANY MAJOR EXPORT OF THAT RESOURCE TO U.S.
- 6. AN AGREEMENT ON CANADA'S PROPOSAL FOR TREATY GUARANTEEING SECURITY OF PIPELINES PASSING THROUGH EACH OTHER'S TERRITORY.
- 7. FEO ADMINISTRATOR URGED MACONALD TO SELL OIL AT A "REASONABLE" PRICE BETWEEN \$7 AND \$8 PER BARREL. JOHNSON

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Message Attributes

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Current Classification: UNCLASSIFIED

Concepts: PETROLEUM, EXPORTS, CUSTOMS DUTIES, IMPORTS, AGREEMENTS, FOREIGN MINISTERS MEETINGS, GASES, GAS PIPELINES, PETROLEUM PIPELINES

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30 JUN 2005

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Subject: ENERGY: US-CANADIAN JAN 31 CONSULTATIONS FEB 1 CANADIAN PRESS STORIES ALL TREAT MACDONALD-SIMON

TAGS: ENRG, CA, US To: STATE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005